

§ 10.30c

of fabricated components that are a product of the United States; or

(2) If the article is processed in a beneficiary country in whole of ingredients (other than water) that are a product of the United States; and

(3) Neither the fabricated components, materials or ingredients after their exportation from the United States, nor the article before its importation into the United States, enters into the commerce of any foreign country other than a beneficiary country.

(b) No article (except a textile or apparel product) entered, or withdrawn from warehouse, for consumption on or after July 1, 1996, shall be treated as a foreign article or as subject to duty:

(1) If the article is assembled in a beneficiary country in whole of textile components cut to shape (but not to length, width, or both) in the United States from foreign fabric; or

(2) If the article is assembled in a beneficiary country in whole of both textile components described in paragraph (b)(1) of this section and components that are products of the United States; and

(3) Neither the components after their exportation from the United States, nor the article before its importation into the United States, enters into the commerce of any foreign country other than a beneficiary country.

(c) For purposes of this section:

(1) The terms “textile article”, “apparel article”, and “textile or apparel product” cover all articles, other than footwear and parts of footwear, that are classifiable in an HTSUS subheading which carries a textile and apparel category number designation;

(2) The term “beneficiary country” has the meaning set forth in §10.191(b)(1); and

(3) A component, material, ingredient, or article shall be deemed to have not entered into the commerce of any foreign country other than a beneficiary country if:

(i) The component, material, or ingredient was shipped directly from the United States to a beneficiary country, or the article was shipped directly to the United States from a beneficiary country, without passing through the territory of any non-beneficiary country; or

(ii) Where the component, material, ingredient, or article passed through the territory of a non-beneficiary country while en route to a beneficiary country or the United States:

(A) The invoices, bills of lading, and other shipping documents pertaining to the component, material, ingredient, or article show a beneficiary country or the United States as the final destination and the component, material, ingredient, or article was neither sold at wholesale or retail nor subjected to any processing or other operation in the non-beneficiary country; or

(B) The component, material, ingredient, or article remained under the control of the customs authority of the non-beneficiary country and was not subjected to operations in that non-beneficiary country other than loading and unloading and activities necessary to preserve the component, material, ingredient, or article in good condition.

[T.D. 95-69, 60 FR 46197, Sept. 5, 1995]

FREE ENTRY—ARTICLES FOR THE USE OF FOREIGN MILITARY PERSONNEL

§ 10.30c [Reserved]

TEMPORARY IMPORTATIONS UNDER BOND

§ 10.31 Entry; bond.

(a)(1) Entry of articles brought into the United States temporarily and claimed to be exempt from duty under Chapter 98, Subchapter XIII, Harmonized Tariff Schedule of the United States (HTSUS), unless covered by an A.T.A. carnet or a TECRO/AIT carnet as provided in part 114 of this chapter, shall be made on Customs Form 3461 or 7533, supported by the documentation required by §142.3 of this chapter. However, when §10.36 or §10.36a is applicable, or the aggregate value of the article is not over \$250, the form prescribed for the informal entry of importations by mail, in baggage, or by other means, may be used. When entry is made on Customs Form 3461 or 7533, an entry summary, Customs Form 7501, shall be filed within 10 days after time of entry, in accordance with subpart B, part 142 of this chapter.

(2) If Customs Form 7501 is filed at time of entry, it shall serve as both the

entry and entry summary, and Customs Form 3461 or 7533 shall not be required. Customs Form 7501 shall be in original only, except for entries under subheading 9813.00.05, HTSUS, which require a duplicate copy for statistical purposes. When articles are entered under an A.T.A. carnet or a TECRO/AIT carnet, the importation voucher of the carnet shall serve as the entry.

(3) In addition to the data usually shown on a regular consumption entry summary, each temporary importation bond entry summary shall include:

(i) The HTSUS subheading number under which entry is claimed.

(ii) A statement of the use to be made of the articles in sufficient detail to enable the port director to determine whether they are entitled to entry as claimed, and

(iii) A declaration that the articles are not to be put to any other use and that they are not imported for sale or sale on approval.

(b) The port director, if he is satisfied as to the importer's identity and good faith, may admit a vehicle or craft brought in by a nonresident to take part in a race or other specific contest for which no money purse is awarded, under the provisions of subheading 9813.00.35, HTSUS, without formal entry or security for exportation. If at the time of arrival it appears that the article is likely to remain in the United States beyond 90 days, formal entry and bond shall be taken.

(c) When any article has been admitted without formal entry or security for exportation and the importer thereafter desires to prolong his stay beyond 90 days, an entry covering the article and security for its exportation shall be accepted at any port where the article may be presented for entry. The time during which the imported article may remain in the United States under the entry shall be computed from the date of its original arrival in the United States. The estimated duties for the purpose of fixing the amount of any bond required by paragraph (f) of this section shall be the estimated duties which would have been required to be deposited had the article been entered under an ordinary consumption entry on the date of the original arrival.

(d) [Reserved]

(e) The entry or invoice shall: (1) Describe each article in detail; (2) set forth the value of each article; and (3) set forth any marks or numbers thereon or other distinguishing features thereof. In the case of a vehicle, aircraft, or pleasure boat entered under subheading 9813.00.05, HTSUS and §10.36a, the registration number, and engine or motor number, and the body number (if available) shall also be shown on the entry. Examination of the imported articles shall be made whenever the circumstances warrant, and occasionally in any event to an extent which will enable the Customs officer to determine that the importation is in agreement with the invoice or entry as to identity and quantity and for the purpose of accepting the entry under the applicable provisions of Chapter 98, Subchapter XIII, HTSUS. No examination for the purpose of appraisalment and no appraisalment of the articles shall be made.

(f) With the exceptions stated herein, a bond shall be given on Customs Form 301, containing the bond conditions set forth in §113.62 of this chapter, in an amount equal to double the duties, including fees, which it is estimated would accrue (or such larger amount as the port director shall state in writing or by the electronic equivalent to the entrant is necessary to protect the revenue) had all the articles covered by the entry been entered under an ordinary consumption entry. In the case of samples solely for use in taking orders entered under subheading 9813.00.20, HTSUS, motion-picture advertising films entered under subheading 9813.00.25, HTSUS, and professional equipment, tools of trade and repair components for such equipment or tools entered under subheading 9813.00.50, HTSUS, the bond required to be given shall be in an amount equal to 110 percent of the estimated duties, including fees, determined at the time of entry. If appropriate a carnet, under the provisions of part 114 of this chapter, may be filed in lieu of a bond on Customs Form 301 (containing the bond conditions set forth in §113.62 of this chapter). Cash deposits in the amount of the bond may be accepted in lieu of sureties. When the articles are entered under subheading 9813.00.05, 9813.00.20,

§ 10.33

or 9813.00.50, HTSUS without formal entry, as provided for in §§10.36 and 10.36a, or the amount of the bond taken under any subheading of Chapter 98, Subchapter XIII, HTSUS, is less than \$25, the bond shall be without surety or cash deposit, and the bond shall be modified to so indicate. In addition, notwithstanding any other provision of this paragraph, in the case of professional equipment necessary for carrying out the business activity, trade or profession of a business person, equipment for the press or for sound or television broadcasting, cinematographic equipment, articles imported for sports purposes and articles intended for display or demonstration, if brought into the United States by a resident of Canada, Mexico, Singapore, Chile, Morocco, El Salvador, Guatemala, Honduras, Nicaragua, the Dominican Republic, Costa Rica, Bahrain, Oman, Peru, or the Republic of Korea and entered under Chapter 98, Subchapter XIII, HTSUS, no bond or other security will be required if the entered article is a good originating, within the meaning of General Note 12, 25, 26, 27, 29, 30, 31, 32, and 33, HTSUS, in the country of which the importer is a resident.

(g) Claim for free entry under Chapter 98, Subchapter XIII, HTSUS may be made for articles of any character described therein which have been previously entered under any other provision of law and the entry amended accordingly upon compliance with the requirements of this section, provided the articles have not been released from CBP custody, or even though released from CBP custody if it is established that the original entry was made on the basis of a clerical error, mistake of fact, or other inadvertence within the meaning of section 514(a), Tariff Act of 1930, as amended, and was brought to the attention of CBP within the time limits of that section. If an entry is so amended, the period of time during which the merchandise may remain in the customs territory of the United States under bond shall be computed from the date of importation. In the case of articles covered by an informal mail entry, such a claim may be made within a reasonable time either

19 CFR Ch. I (4–1–12 Edition)

before or after the articles have been released from CBP custody.

(h) After the entry and bond have been accepted, the articles may be released to the importer. The entry shall not be liquidated as the transaction does not involve liquidated duties. However, a TIB importer may be required to file an entry for consumption and pay duties, or pay liquidated damages under its bond for a failure to do so, in the case of merchandise imported under subheading 9813.00.05, HTSUS, and subsequently exported to Canada or Mexico (see §181.53 of this chapter).

[28 FR 14663, Dec. 31, 1963]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting §10.31, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.fdsys.gov.

§ 10.33 Theatrical effects.

For purposes of the entry of theatrical scenery, properties and apparel under subheading 9817.00.98, Harmonized Tariff Schedule of the United States:

(a) Animals imported for use or exhibition in theaters or menageries may be classified as theatrical properties; and

(b) The term “theatrical scenery, properties and apparel” shall not be construed to include motion-picture films.

For provisions relating to the return without formal entry of theatrical effects taken from the United States, see §10.68 of this part.

[T.D. 92–85, 57 FR 40605, Sept. 4, 1992, as amended by CBP Dec. 04–28, 69 FR 52599, Aug. 27, 2004]

§ 10.35 Models of women’s wearing apparel.

(a) Models of women’s wearing apparel admitted under subheading 9813.00.10, Harmonized Tariff Schedule of the United States (HTSUS), shall not be removed from the importer’s establishment for reproducing, copying, painting, sketching, or for any other use by others, nor be used in the importer’s establishment for such purposes except by the importer or his employees.

(b) Invoices covering models of women's wearing apparel entered under subheading 9813.00.10 or 9813.00.25, HTSUS shall state the kind and color of the principal material from which the apparel is made, and shall contain a description of the lining and the trimming, stating whether composed of fur, lace, embroidery, or other material. Invoices shall also contain a statement as to how the trimming is applied, that is, whether on the cuffs, collar, sleeves, or elsewhere, and the total value of each completed garment or article.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 87-75, 52 FR 20066, May 29, 1987; T.D. 89-1, 53 FR 51248, Dec. 21, 1988]

§ 10.36 Commercial travelers' samples; professional equipment and tools of trade; theatrical effects and other articles.

(a) Samples accompanying a commercial traveler who presents an adequate descriptive list or a special CBP invoice, and professional equipment, tools of trade, and repair components for such equipment or tools imported in his baggage for his own use by a nonresident sojourning temporarily in the United States may be entered on the importer's baggage declaration in lieu of formal entry and examination and may be passed under subheadings 9813.00.20 or 9813.00.50, Harmonized Tariff Schedule of the United States, (HTSUS), at the place of arrival in the same manner as other passengers' baggage. The examination may be made by an inspector who is qualified, in the opinion of the port director, to determine the amount of the bond required by § 10.31(c) to be filed in support of the entry. If the articles are a commercial traveler's samples and exceed \$500 in value, a special Customs invoice or a descriptive list shall be furnished.

(b) When the proprietor or manager of a theatrical exhibition arriving from abroad who has entered his scenery, properties, and apparel under subheading 9817.00.98, HTSUS, contemplates side trips to a contiguous country with the exhibition within the period of time during which the merchandise may remain in the customs territory of the United States under bond, including any lawful extension, a copy of the entry covering the effects

and a copy of a descriptive list of such effects or invoice furnished by him may be certified by the examining officer and returned to the proprietor or manager for use in registering the effects with the CBP officers at the port of exit, and in clearing them through CBP on his return. Cancellation of the bond shall be effected by exportation in accordance with the provisions of § 10.38 at the time the theatrical effects are finally taken out of the United States before the expiration of the period of time during which the merchandise may remain in the customs territory of the United States under bond, including any lawful extension. Similar treatment may be accorded articles entered under other subheadings in chapter 98, subchapter XIII, HTSUS, upon approval by Headquarters, U.S. Customs and Border Protection.

(c) When a commercial traveler contemplates side trips to a contiguous country within the period of time during which the merchandise may remain in the customs territory of the United States under bond, including any lawful extension, a copy of his baggage declaration and a copy of the descriptive list or special CBP invoice furnished by him may be certified by the examining officer and returned to the traveler for use in registering the samples with CBP officers at the port of exit, and in clearing them through CBP upon his return. Cancellation of the bond shall be effected by exportation in accordance with the provisions of § 10.38 at the time the samples are finally taken out of the United States before the expiration of the period of time during which the merchandise may remain in the customs territory of the United States under bond, including any lawful extension.

(d) The privilege of clearance of commercial travelers' samples or professional equipment, tools of trade, and repair components for such equipment or tools imported for his own use by a nonresident sojourning temporarily in the United States on a baggage declaration under bond without surety or cash deposit shall not be accorded to a commercial traveler or such nonresident who, through fraud or culpable negligence, has failed to comply with

§ 10.36a

the provisions of such a bond in connection with a prior arrival.

Such a commercial traveler or non-resident shall be required to file a formal entry under subheading 9813.00.20 or subheading 9813.00.50, HTSUS with a bond supported by a surety or cash deposit in lieu of surety.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 69-146, 34 FR 9799, June 25, 1969; T.D. 84-213, 49 FR 41165, Oct. 19, 1984; T.D. 89-1, 53 FR 51248, Dec. 21, 1988; CBP Dec. 10-29, 75 FR 52450, Aug. 26, 2010]

§ 10.36a Vehicles, pleasure boats and aircraft brought in for repair or alteration.

(a) A vehicle (such as an automobile, truck, bus, motorcycle, tractor, trailer), pleasure boat, or aircraft brought into the United States by an operator of such vehicle, pleasure boat, or aircraft for repair or alteration (as defined in §§ 10.8, 10.490, 10.570, and 181.64 of this chapter) may be entered on the operator's baggage declaration, in lieu of formal entry and examination, and may be passed under subheading 9813.00.05, Harmonized Tariff Schedule of the United States (HTSUS), at the place of arrival in the same manner as passengers' baggage. When the vehicle, aircraft, or pleasure boat to be entered is being towed by or transported on another vehicle, the operator of the towing or transporting vehicle may make entry for the vehicle, aircraft or pleasure boat to be repaired or altered. The bond, prescribed by § 10.31(f), filed to support entry under this section shall be without surety or cash deposit except as provided by this paragraph and paragraph (d) of this section. The examination may be made by an inspector who is qualified to determine the amount of such bond to be filed in support of the entry. The privilege accorded by this paragraph shall not apply when two or more vehicles, pleasure boats, or aircraft are to be entered by the same importer under subheading 9813.00.05, HTSUS, at the same time. In that event, the importer must file a formal entry supported by bond with surety or cash deposit in lieu of surety.

(b) Each vehicle, pleasure boat, or aircraft to which paragraph (a) of this section is applicable shall be identified

19 CFR Ch. I (4-1-12 Edition)

on the operator's baggage declaration, which must include the data prescribed in paragraphs (a) and (e) of § 10.31.

(c) Exportation shall be effected in accordance with the provisions of § 10.38.

(d) The privilege of clearance of a vehicle, pleasure boat, or aircraft brought in by the operator of such vehicle, pleasure boat, or aircraft, for repair or alteration on his baggage declaration under bond without surety or cash deposit shall not be granted to an individual who has failed to comply with the provisions of such a bond in connection with any prior arrival. Such individual shall be required to file a formal entry under subheading 9813.00.05, HTSUS, with a bond supported by a surety or cash deposit in lieu of surety.

[T.D. 66-39, 31 FR 2817, Feb. 17, 1966, as amended by T.D. 84-213, 49 FR 41165, Oct. 19, 1984; T.D. 89-1, 53 FR 51248, Dec. 21, 1988; T.D. 94-1, 58 FR 69470, Dec. 30, 1993; CBP Dec. 05-07, 70 FR 10872, Mar. 7, 2005; CBP Dec. 07-28, 72 FR 31995, June 11, 2007]

§ 10.37 Extension of time for exportation.

The period of time during which merchandise entered under bond under chapter 98, subchapter XIII, Harmonized Tariff Schedule of the United States (19 U.S.C. 1202), may remain in the customs territory of the United States, may be extended for not more than two further periods of 1 year each, or such shorter period as may be appropriate. Extensions may be granted by the director of the port where the entry was filed upon written application on CBP Form 3173, provided the articles have not been exported or destroyed before the receipt of the application, and liquidated damages have not been assessed under the bond before receipt of the application. Any untimely request for an extension of time for exportation shall be referred to the Director, Commercial and Trade Facilitation Division, Office of International Trade, CBP Headquarters, for disposition. Any request for relief from a liquidated damage assessment in excess of a Fines, Penalties, and Forfeitures Officer's delegated authority shall be referred to the Director, Border Security and Trade Compliance Division,

Office of International Trade, CBP Headquarters, for disposition. No extension of the period for which a carnet is valid shall be granted.

[T.D. 69-146, 34 FR 9799, June 25, 1969, as amended by T.D. 84-213, 49 FR 41165, Oct. 19, 1984; T.D. 89-1, 53 FR 51249, Dec. 21, 1988; T.D. 91-77, 56 FR 46114, Sept. 10, 1991; T.D. 99-27, 64 FR 13675, Mar. 22, 1999]

§ 10.38 Exportation.

(a) Articles entered under chapter 98, subchapter XIII, Harmonized Tariff Schedule of the United States (HTSUS) (19 U.S.C. 1202) may be exported at the port of entry or at another port. An application on Customs Form 3495 shall be filed in duplicate with the port director a sufficient length of time in advance of exportation to permit the examination and identification of the articles if circumstances warrant such action and, in such event, the applicant shall be notified on a copy of Customs Form 3495 where the articles are to be sent for identification. If a carnet was used for entry purposes, the reexportation voucher of the carnet shall be filed, in addition to Customs Form 3495, and the carnet shall be presented for certification.

(b) All expenses in connection with the delivery of the articles for examination, the cording and sealing of such articles, and their transfer for exportation shall be paid by the parties in interest.

(c) If exportation is to be made at a port other than the one at which the merchandise was entered, the application on Customs Form 3495 shall be filed in triplicate. There shall also be filed with the application a certified copy of the import entry or a certified copy of the invoice used on entry.

(d) If the goods are examined at one port and are to be exported from another port, they shall be forwarded to the port of exportation under a transportation and exportation entry. In such cases Customs Form 3495 shall be filed in triplicate. Articles entered under a carnet shall not be examined elsewhere than at the port from which they are to be exported.

(e) If the articles are to be exported by mail or parcel post, the package containing the articles must be mailed under Customs supervision after exam-

ination. Waiver of the right to withdraw the package from the mails shall be endorsed on each package to be so exported and signed by the exporter.

(f) Whenever the circumstances warrant, and occasionally in any event, port directors shall cause the fact of exportation to be verified by the Office of Enforcement in harmony with the procedures provided for in §§ 18.7 and 191.61 of this chapter.

(g) Upon the presentation of satisfactory evidence to the director of the port at which samples were entered under subheading 9813.00.20, HTSUS, or professional equipment or tools of trade were entered under subheading 9813.00.50, HTSUS, that such articles cannot be exported for the reason that they have been seized (other than by seizure at the suit of private persons), the requirement of exportation shall be suspended for the duration of the seizure. The articles shall be exported promptly after release from seizure.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 69-146, 34 FR 9799, June 25, 1969; T.D. 83-212, 48 FR 46771, Oct. 14, 1983; T.D. 84-213, 49 FR 41165, Oct. 19, 1984; T.D. 89-1, 53 FR 51249, Dec. 21, 1988; T.D. 91-77, 56 FR 46114, Sept. 10, 1991; T.D. 98-16, 63 FR 11004, Mar. 5, 1998]

§ 10.39 Cancellation of bond charges.

(a) Charges against bonds taken pursuant to Chapter 98, Subchapter XIII, Harmonized Tariff Schedule of the United States, (HTSUS), may be canceled in the manner prescribed in § 113.55 of this chapter. A completed re-exportation counterfoil on a carnet establishes that the articles covered by the carnet have been exported, and no claim shall be brought against the guaranteeing association under the carnet for failure to export, except under the provisions of § 114.26 of this chapter. In the case of articles entered under subheading 9813.00.30, HTSUS, which are destroyed because of their use for the purposes of importation, the bond charge shall not be canceled unless there is submitted to the port director a certificate of the importer that the articles were destroyed during the course of a specifically described use, and the port director is satisfied that the articles were so destroyed as articles of commerce within the period of time during which the articles may

remain in the Customs territory of the United States under bond (including any lawful extension). Bonds covering articles entered under other provisions of law shall not be canceled upon proof of destruction, except as provided for in paragraph (c) of this section, unless the articles are destroyed under Customs supervision in accordance with section 557, Tariff Act of 1930, as amended, and § 158.43 of this chapter.

(b) Where exportation has been made at a port other than the port of entry, the bond may be canceled upon the certificate of lading received from the port of exportation, showing that such exportation was made within the period of time during which the articles may remain in the Customs territory of the United States under bond. In addition, the port director may require the production of a landing certificate signed by a revenue officer of the country to which the merchandise is exported.

(c) When articles entered temporarily free of duty under bond are destroyed within the bond period by death, accidental fire, or other casualty, petition for relief from liability under the bond shall be made to the United States Customs Service. The petition shall be accompanied by a statement of the importer, or other person having knowledge of the facts, setting forth the circumstances of the destruction of the articles.

(d)(1) If any article entered under Chapter 98, subchapter XIII, HTSUS, except those entered under a carnet, has not been exported or destroyed in accordance with the regulations in this part within the period of time during which the articles may remain in the Customs territory of the United States under bond (including any lawful extension), the Fines, Penalties, and Forfeitures Officer shall make a demand in writing under the bond for the payment of liquidated damages equal to double the estimated duties applicable to such entry, unless a different amount is prescribed by § 10.31(f). The demand shall include a statement that a written petition for relief from the payment of the full liquidated damages may be filed with the Fines, Penalties, and Forfeitures Officer within 60 days after the date of the demand. For pur-

poses of this section, the term estimated duties shall include any merchandise processing fees applicable to such entry.

(2) If articles entered under a carnet have not been exported or destroyed in accordance with the regulations in this part within the carnet period, the port director shall promptly after expiration of that period make demand in writing upon the importer and guaranteeing association for the payment of liquidated damages in the amount of 110 percent of the estimated duties on the articles not exported or destroyed. The guaranteeing association shall have a period of 6 months from the date of claim in which to furnish proof of the exportation or destruction of the articles under conditions set forth in the Convention or Agreement under which the carnet is issued. If such proof is not furnished within the 6-month period, the guaranteeing association shall forthwith pay the liquidated damages provided for above. The payment shall be refunded if the guaranteeing association within 3 months from the date of payment furnishes the proof referred to above. No claim for payment under a carnet covering a temporary importation may be made against the guaranteeing association more than 1 year after the expiration of the period for which the carnet was valid.

(3) Demand for return to Customs custody. When the demand for return to Customs custody is made in the case of merchandise entered under Chapter 98, subchapter XIII, HTSUS (19 U.S.C. 1202), liquidated damages in an amount equal to double the estimated duties on the merchandise not returned shall be demanded, except that in the case of samples solely for use in taking orders, motion-picture advertising films, professional equipment, tools of trade, and repair components for professional equipment and tools of trade, the liquidated damages demanded shall be in an amount equal to 110 percent of the estimated duties.

(e) If there has been a default with respect to any or all of the articles covered by the bond and a written petition for relief is filed as provided in part 172 of this chapter, it will be reviewed by the Fines, Penalties, and Forfeitures

Officer having jurisdiction in the port where the entry was filed. If the Fines, Penalties, and Forfeitures Officer is satisfied that the importation was properly entered under Chapter 98, subchapter XIII, and that there was no intent to defraud the revenue or delay the payment of duty, the Fines, Penalties, and Forfeitures Officer may cancel the liability for the payment of liquidated damages in any case in his or her delegated authority as follows:

(1) If evidence is furnished which satisfies the Fines, Penalties, and Forfeitures Officer that the article would have been entitled to free entry as domestic products exported and returned had the evidence been furnished at the time of entry, without the collection of liquidated damages.

(2) If the article has been exported or destroyed under Customs supervision but not within the period of time during which the articles may remain in the Customs territory of the United States under bond, upon the payment of such lesser amount as the port director may deem appropriate under the law and in view of the circumstances, or without the collection of liquidated damages if the Fines, Penalties, and Forfeitures Officer is satisfied that the delay in exportation or destruction was for the benefit of the United States or was occasioned wholly by circumstances reasonably beyond the control of the parties concerned and which could not have been anticipated by a reasonably prudent person.

(3) If the article was exported or destroyed within the period of time during which the articles may remain in the Customs territory of the United States under bond but not under Customs supervision and satisfactory documentary evidence of actual exportation, such as a foreign landing certificate, or of death or other complete destruction, such as a veterinarian's certificate or certificates of two disinterested witnesses, are furnished together with a complete explanation by the applicant of the failure to obtain Customs supervision, upon the payment of such lesser amount as the Fines, Penalties, and Forfeitures Officer may deem appropriate under the law and in view of the circumstances, or without the collection of liquidated

damages if the port director is satisfied that the merchandise was destroyed under circumstances which precluded any arrangement to obtain Customs supervision. Satisfactory documentary evidence of exportation, in the case of carnets, would include the particulars regarding importation or reimportation entered in the carnet by the Customs authorities of another contracting party, or a certificate with respect to importation or reimportation issued by those authorities, based on the particulars shown on a voucher which was detached from the carnet on importation or reimportation into their territory, provided it is shown that the importation or reimportation took place after the exportation which it is intended to establish.

(4) Upon the payment of an amount equal to double the duty which would have accrued on the articles had they been entered under an ordinary consumption entry, or equal to 110 percent of such duties where that percentage is prescribed in §10.31(f), if such amount is determined to be less than the full amount of the bond.

(f) *Anticipatory breach.* If an importer anticipates that the merchandise entered under a Temporary Importation Bond will not be exported or destroyed in accordance with the terms of the bond, the importer may indicate to Customs in writing before the bond period has expired of the anticipatory breach. At the time of written notification of the breach, the importer shall pay to Customs the full amount of liquidated damages that would be assessed at the time of breach of the bond, and the entry will be closed. The importer shall notify the surety in writing of the breach and payment. By this payment, the importer waives his right to receive a notice of claim for liquidated damages as required by §172.1(a) of this chapter.

(g) If the petitioner is not satisfied with the port director's action under this section and submits a supplemental petition, both the original and the supplemental petitions shall be

§ 10.40

19 CFR Ch. I (4–1–12 Edition)

transmitted to the designated Headquarters official with a full report on the case.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 69–146, 34 FR 9799, June 25, 1969; T.D. 70–249, 35 FR 18265, Dec. 1, 1970; T.D. 71–70, 36 FR 4485, Mar. 6, 1971; T.D. 73–308, 38 FR 30549, Nov. 6, 1973; T.D. 74–227, 39 FR 32015, Sept. 4, 1974; T.D. 75–36, 40 FR 5146, Feb. 4, 1975; T.D. 84–213, 49 FR 41165, Oct. 19, 1984; T.D. 89–1, 53 FR 51249, Dec. 21, 1988; T.D. 91–71, 56 FR 40779, Aug. 16, 1991; T.D. 95–22, 60 FR 14632, Mar. 20, 1995; T.D. 98–10, 63 FR 4167, Jan. 28, 1998; T.D. 99–27, 64 FR 13675, Mar. 22, 1999; T.D. 00–57, 65 FR 53574, Sept. 5, 2000]

§ 10.40 Refund of cash deposits.

(a) When a cash deposit is made in lieu of surety, it shall be refunded to the person in whose name the entry is made upon exportation in compliance with § 10.38.

(b) If any article entered under Chapter 98, subchapter XIII, Harmonized Tariff Schedule of the United States, is not exported or destroyed within the period of time during which articles may remain in the Customs territory of the United States under bond (including any lawful extension), the port director shall notify the importer in writing that the entire cash deposit will be transferred to the regular account as liquidated damages unless a written application for relief from the payment of the full liquidated damages is filed with the port director within 60 days after the date of the notice. If such an application is timely filed, the transfer of the cash deposit to the regular account as liquidated damages shall be deferred pending the decision of the Headquarters, U.S. Customs Service or, in appropriate cases, the port director on the application.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 84–213, 49 FR 41165, Oct. 19, 1984; T.D. 89–1, 53 FR 41249, Dec. 21, 1988]

INTERNATIONAL TRAFFIC

§ 10.41 Instruments; exceptions.

(a) Locomotives and other railroad equipment, trucks, buses, taxicabs, and other vehicles used in international traffic shall be subject to the treatment provided for in part 123 of this chapter.

(b) [Reserved]

(c) Foreign-owned aircraft arriving in the United States shall be subject to the treatment provided for in part 122 of this chapter, unless entered under the provisions of §§ 10.31, 10.183, or paragraph (d) of this section.

(d) Any foreign-owned locomotive or other railroad equipment, truck, bus, taxicab, or other vehicle, aircraft, or undocumented boat brought into the United States for the purpose of carrying merchandise or passengers between points in the United States for hire or as an element of a commercial transaction, except as provided at §§ 123.12 (a) and (b), 123.14(c), and 141.4(b)(4), is subject to treatment as an importation of merchandise from a foreign country and a regular entry for such vehicle, aircraft or boat will be made. The use of any such vehicle, aircraft, or boat without a proper entry having been made may result in liabilities being incurred under section 592, Tariff Act of 1930, as amended (19 U.S.C. 1592).

(e) [Reserved]

(f) Material for the maintenance or repair of international cables under the high seas, if requiring storage in special tanks for preservation, may be placed in tanks specially bonded for the purpose and withdrawn therefrom for high-seas installation without the payment of duty and without limitation of the storage period to the usual 3-year warehousing period. International cables laid under the territorial waters of the United States but not brought on shore in the United States shall be admitted without entry or the payment of duty. With respect to international cables laid under the territorial waters of the United States but brought on shore in the United States, only that part of the cable in the United States between the point of entry into the territorial waters of the United States and the first point of support on land in the United States shall be admitted without the payment of duty.

[28 FR 14663, Dec. 31, 1963, as amended by T.D. 70–121, 35 FR 8222, May 26, 1970; T.D. 79–160, 44 FR 31956, June 4, 1979; T.D. 84–109, 49 FR 19450, May 8, 1984; T.D. 88–12, 53 FR 9315, Mar. 22, 1988; T.D. 93–66, 58 FR 44130, Aug. 19, 1993; T.D. 99–79, 64 FR 61205, Nov. 10, 1999]